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Log Note - Chief, Okinawa Bureau - 18 September 1972

REVERSION MATTERS -- Schmitz Meeting: On 14 September [] and I met in Tokyo with Chuck Schmitz, Acting Counsellor for Political-Military Affairs, to discuss four topics: 1) TCN SOFA "privileges": I reviewed Tachibana's 19 August and Panttaja's 24 August memos, noting the contents of the referent documents and expressing concern over Panttaja's call for "special attention" to the Japanese claim that TCNs had no privileges under SOFA.

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Schmitz was well aware of the referent documents and their history. He said the Japanese were merely restating formally their original position so that they could call it into play if they ever needed to, but that he felt they would not do so without provocation. TCN privileges, he felt, should be continued but must be kept in low key and not flaunted. He did not know if Panttaja had had a special reason for including that caveat in his memo, but he would discuss it with him.

The approach to these privileges is to continue to "muddle through" (as Schmitz had said in '71) until our antennae sense that they might cause a problem with GOJ. By "privileges" Schmitz said he meant PX, commissary, APO, and liquor. He said housing is not a privilege. It is not precluded by SOFA, and can be provided by any unit having SOFA status so long as it was necessary for fulfillment of its legal mission. Even Japanese civilians, under certain circumstances, can be provided housing, he repeated as he had done on earlier occasions. He said the use of schools and hospitals is strictly up to the various Service commanders and not subject to GOJ control.

2) I noted that the Japanese LMO had been reluctant to bring our two Japanese employees, [] under the MLC because of their high salaries. They had informally indicated that we should keep them as direct hire. (This had been our original opinion.) SOFA provides that the military may use direct hire with the assistance or approval of the GOJ. In several instances (such as the hiring of crews for ships going to Vietnam which GOJ does not want to be involved in) direct hire is the mode. Schmitz suggested we get a letter from the LMO agreeing to our direct hire of []. If this could be obtained, we should send a letter to them informing them of what we planned to do and why, and try to get them to acknowledge receipt. This we are doing.

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3) I reviewed our position on taxes for TCNs, reminded him of Ed Wade-Dalton's (U.S. IRS representative in Tokyo) opinion. He said we were on as solid ground as we could possibly be without having an actual test case. He felt the GOJ would not give us any legal reading without a test case. He said that when the first case came up of a TCN being queried, we should be certain that he took with him to the querying officials our full legal citations. The issue doubtless would be bucked to Tokyo, and probably be sent to the Ministry of Finance and possibly the Secretariat.

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Page Two

4) The meaning of "FBIS/Headquarters/USFJ": In GOJ eyes, Schmitz said, we are a normal part of the civilian component of the military under SOFA. But we must preserve the military affiliation in our posture and follow DOD procedures to the extent possible. We must avoid anything which makes us appear to be a unique, non-military-affiliated civilian operation since SOFA has no provision for such a non-affiliated operation.

Roach Meeting: On 14 September met with [] and Col. A. J. Roach (USFJ J-2) to brief him on developments regarding TCNs. I covered points 1, 2, and 3 of the above. Roach was grateful for the briefing, asked to continue to be kept fully informed, and promised to speak on our behalf in USFJ councils to the full extent of his authority should any problems affecting FBIS arise.

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Feissner Meeting: On 15 September [] and I met with Al Feissner (civilian representative of USFJ under J-5 on Permanent Secretariat to Joint Committee on SOFA). Feissner again gave a very legalistic reading of SOFA, and again ignored initially the history of the negotiations, and GOJ's decision to accept FBIS under SOFA. Feissner again seemed to identify more with the Japanese viewpoint than with the American one, possibly due to his unusually long tenure in office.

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Feissner initially said that if it were his decision he would stop all TCN privileges immediately and also relocate all TCNs off base. We had no right to housing on base he said. He seemed firm on this, but added that he had no authority to require action, nor did Hqs/USFJ intend to do so. After much conversation, mostly all from Feissner, we gradually got him to focus on the history of FBIS, of our housing area, and of the negotiations. Feissner then said we simply had to weigh potential embarrassment against possible gains and take calculated risks.

I finally reviewed for him our conversation with Schmitz. Feissner said he dealt closely with Schmitz, had the highest regard for him, and went along completely with Schmitz' recommendations. Feissner said he would pass on to us any indications he obtained in his meetings about GOJ intentions to enforce SOFA on TCN issues.

Panttaja Meeting: On 15 September [] and I met with Col. Bill Panttaja (USFJ J-5) to discuss his 24 August memo and especially his phrase "careful attention". He had been briefed by us on Okinawa earlier, is aware of our problems and intentions, and is sympathetic to our requirements.

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Panttaja said that he had no intention of policing the implementation of the TCN question. Each command had to do what it saw fit. If the GOJ made an issue of any of the privileges, FBIS had to be prepared to run for cover. He was aware we were taking a calculated risk, but indicated that this would be all right so long as we kept flexible and were prepared to back off quickly if seriously challenged.

CONFIDENTIAL

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Page Three

Station Meeting: On 15 September [] and I met [] to bring him up to date. (I had sent him a letter last May describing our potential reversion problems, so none of what we said came as a surprise.) He said he was happy to be kept in the picture, felt we had the right approach, but of course could offer no advice or assistance.

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He told us about the embassy construction project: First a building will be built on the site of the embassy motor pool. This was supposed to have been a four-story (or so) temporary building but it may be built as a permanent structure. Plans are still changing. He doubted that construction would start soon. He visited the motor pool weekly -- when holes actually began to appear, a good prediction on completion would be possible since Japanese contractors are unusually adept at meeting deadlines.

After the building in the motor pool area has been completed, some units will move into it from the annex. The annex will be remodeled, a process taking about two months. Then units in the outlying embassy buildings and chancery will move to the annex and the embassy will be torn down.

One new development is that all of commo -- not just a backup unit -- is supposed to go to the annex and its antennas must use the annex roof. He understood joint operation with FBIS was not considered possible. "So you all have a problem."

He also felt that there will be considerable shrinking of the U.S. military presence in Japan. He made the interesting point that in his opinion the U.S. Navy would have the least difficulty maintaining its bases. He said that while the GOJ questions the need for large U.S. Army units in Japan, it does not want to have to plan on replacing the functions of the U.S. fleet. This if accurate throws a different light on the value of Kamiseya. (Reversion file, AC/Ops, Director, TCN file, [])

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